

Message Text

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SUBJECT: GEISEL'S SPEECH TO FOREIGN TRADE GROUP STRESSES
EXPORT GROWTH, NEOCAPITALISM AND OPENNESS TO FOREIGN
CAPITAL

1. SUMMARY PRESIDENT GEISEL'S APRIL 18 SPEECH OPENING
THE NINTH BRAZILIAN FOREIGN TRADE CONFERENCE IN SAO PAULO
RECEIVED MAJOR PRESS COVERAGE AND STRESSED THE IMPORTANCE
OF EXPORT GROWTH, THE BRAZILIAN NEOCAPITALIST ECONOMIC
MODEL, AND CONTINUED OPENNESS TO FOREIGN CAPITAL. END
SUMMARY:

2. SPEAKING APRIL 18 TO 5,000 BUSINESSMEN AND POLITICIANS
AT THE OPENING OF THE NINTH FOREIGN TRADE CONFERENCE IN
SAO PAULO, PRESIDENT ERNESTO GEISEL STRESSED THE IMPORTANCE
OF EXPORT GROWTH: THE 20 PERCENT EXPORT GROWTH FIGURE
CONTAINED IN THE SENCOND NATIONAL DEVELOPMENT PLAN, UNLIKE
OTHER FIGURES IN THE PLAN, IS A FIRM GOAL AND NOT MERELY
AN INDICADOR, HE SAID. WHILE EXPRESSING PLEASURE OVER
1976 AND FIRST QUARTER 1977 EXPORT PERFORMANCE -- "FEW
COUNTRIES HAVE BEEN ABLE TO ACHIEVE SO MUCH IN THE
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EXPORT FIELD IN SUCH A SHORT TIME," HE SAID -- HE
MAINTAINED THAT EXPORT GROWTH MUST BE A PRIORITY
GOAL FOR 1977. GEISEL ALSO STRESSED THE IMPORTANCE
OF EXPORT DIVERSIFICATION, RECOGNIZING THAT
BRAZIL'S EXPORTS ARE STILL DANGEROUSLY CONCENTRATED
IN A FEW PRODUCTS.

3. GEISEL RESTATED BRAZIL'S POSITION AS A "NEOCAPITALIST" STATE AND REAFFIRMED SUPPORT FOR THE BRAZILIAN PRIVATE SECTOR, SAYING, "WE BASE THE LARGEST PART OF OUR DEVELOPMENT ON PRIVATE ENTERPRISE, CONSIDERING IT THE MOST RESOURCEFUL AND EFFICIENT INSTRUMENT OF ACTION." WHILE THE PRESS REPORTED SOME LISTENERS WERE DISAPPOINTED THAT GEISEL DID NOT ANNOUNCE ANY MAJOR NEW EXPORT INCENTIVES, GEISEL DID STATE THAT THE CURRENT INCENTIVE PROGRAMS WOULD REMAIN IN EFFECT AND THAT THE STATE TRADING COMPANY, INTERBRAS, WOULD IN THE FUTURE WORK MORE CLOSELY WITH THE PRIVATE SECTOR, ESPECIALLY IN DEALINGS WITH THE MIDEAST AND COMMUNIST COUNTRIES.

4. GEISEL ALSO TOOK THE OCCASION TO STATE CONTINUED SUPPORT FOR FOREIGN CAPITAL'S ROLE IN THE BRAZILIAN ECONOMY. HE EXPRESSED HIS BELIEF THAT THE BENEFITS OF FOREIGN CAPITAL (TRANSFER OF TECHNOLOGY, TRANSFER OF FOREIGN SAVINGS, ETC. FAR OUTWEIGH ANY RISKS. HE SAID THAT "FOREIGN INVESTMENT WILL NOT RECEIVE SPECIAL FAVORS, BUT NEITHER WILL IT BE DISCRIMINATED AGAINST." GEISEL STATED THAT BRAZIL WAS ABLE TO CONTINUE TO ATTRACT FOREIGN CAPITAL BECAUSE OF THE STABLE TREATMENT IT RECEIVED IN BRAZIL AND BECAUSE BRAZIL CONTINUED TO OFFER FAVORABLE INVESTMENT OPPORTUNITIES. HE ALSO THANKED THE WORLD BANK AND THE IDB FOR THEIR ROLE IN STABILIZING WORLD FINANCE AFTER THE PETROLEUM CRISIS.

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5. THE SPEECH WAS, OF COURSE, GIVEN MAJOR COVERAGE BY ALL NEWSPAPERS, AND BOTH O ESTADO DE SAO PAULO AND JORNAL DO BRASIL (RIO) CARRIED EDITORIALS ON THE SPEECH. ESTADO'S WAS FAIRLY STRAIGHTFORWARD. JORNAL DO BRASIL'S EDITORIAL STRESSED THAT THE SPEECH WAS ANOTHER GEISEL ATTEMPT TO REASSURE THE PRIVATE SECTOR THAT HE DOES NOT FAVOR INCREASED CENTRALIZATION OF THE BRAZILIAN ECONOMY. THE EDITORIAL POINTED OUT, HOWEVER, THAT FOR GEISEL'S POLICY TO HAVE REAL STRENGTH THE BUREAUCRACY MUST LINE UP BEHIND HIM -- HINTING THAT IT FELT THAT GEISEL AND THE ECONOMIC BUREAUCRACY MAY BE MARCHING TO DIFFERENT DRUMMERS.

CRIMMINS

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